

# Delinquent Utility Billing Process

## City of Battle Creek, Michigan

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This document provides information on the City's utility billing process including a detailed explanation of how delinquent accounts are handled according to City ordinance.

### City Ordinance and Legal Bases for Billing and Collection

Sections 1040.20 and 1040.78 of the Battle Creek Codified Ordinances lay out the policies relating to utility billing:

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#### **Section 1040.20 WATER RATES AND CHARGES; BILLING; TERMINATION OF SERVICE; WATER SUPPLY SYSTEM REVENUE BONDS**

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(a) All water service shall be charged for on the basis of water consumed as determined by the water meter installed in or near the premises of a user and shall include a readiness to serve charge. No free water service shall be furnished to any person or premises.

(b) Charges for all water service shall be billed by the Finance Department and collected monthly by the City Treasurer. All water meters shall be read at least every second month and bills shall be rendered within fourteen days following the meter readings. All bills shall be payable when rendered and shall be deemed delinquent if not paid on or before the due date shown on the bill. A late charge of ten percent of the unpaid bill shall be assessed on all bills paid more than thirty days after the due date.

(c) The Office of the City Manager is hereby authorized to enforce the payment of charges for water service to any premises by discontinuing the water service to such premises and an action of assumpsit may be instituted by the City against the customer. The charges for water service which, under the provisions of Public Act 94 of 1933, as amended; ("Act 94") are made a lien on the premises to which such service is furnished, are hereby recognized to constitute such lien. The Director of Finance shall, on June 30 and January 1, certify all unpaid charges for such service furnished to any premises which, as of these dates, have remained unpaid for a period of six months, to the City Assessor who shall place the same on a special assessment roll of the City. Such charges so assessed shall be collected in the same manner as general City taxes. If the City is properly notified, in accordance with Act 94, that a tenant is responsible for water service charges, no such service shall be commenced or continued to such premises until there has been deposited with the City Treasurer a sum sufficient to cover three times the average monthly or bimonthly bill for such premises, as estimated by the Director of Finance. Such deposit shall be in no case less than thirty-five dollars (\$35.00). Where the meter service to any premises is turned off to enforce the payment of water service charges, the water service shall not be recommended until all delinquent charges have been paid and a deposit, as in the case of tenants, is made. In addition, there shall be a water turn-on charge of thirty dollars (\$30.00). In any other case where, at the discretion of the Finance Director, the collection of charges for water service may be difficult or uncertain, the Director may require a similar deposit. Such deposits may be applied against any delinquent water service charges and the application thereof shall not affect the right of the City to turn off the water service to any premises for a delinquency thereby satisfied. No such deposit shall bear interest. Such deposits, or any remaining balance thereof, shall be returned to the customer making the same when the water service is discontinued or, except as to tenants as to whom notice of responsibility for such charges has been filed with the City, when any eight successive monthly or bimonthly bills have been paid by such customer with no delinquency.

(d) Nothing contained in this chapter shall be deemed to alter or repeal any of the provisions of ordinances providing for the issuance of water supply system revenue bonds, with respect to the obligations of the City and the security of the bondholders thereunder. This chapter is intended to conform with such ordinances and if there is any conflict whereby the security of the bondholders or the obligations of such



bonds are impaired, then, with respect to such conflict, the provisions of such ordinances shall prevail, so long as any water bonds issued under such ordinances are outstanding and unredeemed.

(e) The rates and charges established by the City for water service shall be as set forth in a schedule which shall be enacted by the City Commission from time to time by resolution.

(Ord. 14-01. Passed 10-16-01.)

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## **Section 1040.78 BILLING; HEARINGS**

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(a) Service charges and surcharges for sewer service shall be established by resolution of the City Commission adopted from time to time and shall be billed on a monthly basis. Service charges for residential users shall be included as a separate item on the City services bill. Payments received for the City services bill shall only be applied in the following order:

- (1) Refuse;
- (2) Sewer; and
- (3) Water.

(b) All bills shall be paid monthly to the City Treasurer's office on or before the due date. If the service charges and surcharges for water or sewer service remain unpaid for thirty days, a delinquency and termination notice shall be issued. The delinquency and termination notice shall provide the customer of record with the following information:

- (1) The amount due;
- (2) The customer's right to disputed bills hearing before the Finance Director or his authorized representative;
- (3) Notice that service will be terminated in fifteen days if the bill remains unpaid; and
- (4) Notice of the late charge as set forth in this section.

(c) A late charge of ten percent of the unpaid bill shall be assessed on all bills paid more than thirty days after the due date.

(d) A request for a hearing by the customer must be filed with the Finance Director not later than three working days before the date of discontinuance. In instances where the service is actually terminated and later reinstated, the customer shall be charged thirty dollars (\$30.00) to cover the costs of reinstating the service. Where service is discontinued, the water shall be shut off from the premises until the unpaid bill, together with reconnection charges, has been paid. A request for hearing form may be obtained from the Finance Department and must be filed before the scheduled termination date. Such hearing shall be conducted by the Finance Director or his or her designee, for the purpose of allowing the customer of record to present objections to the bill. The Finance Director shall have authority to make corrections on the utility bill if an error is found.

(e) When water service commences or ceases, applicable charges may be prorated. If water service is supplied to a location, the customer of which has vacated the premises, and the City is satisfied that there has been a termination of the need for sewer charges, then the City, on application of the customer, may suspend liability for such charges and such charges shall be reinstated with the next bill rendered to a customer of such premises.

(f) The portion of the account which remains outstanding for 180 days shall then be collected under the procedures of a special lot assessment as set forth in [Chapter 216](#) of these Codified Ordinances or in the Act 94 of the Public Acts of 1933, as amended, if applicable.

(Ord. 14-01. Passed 10-16-01.)

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City Attorney Wicklund has provided the following synopsis establishing the legal bases for collection of delinquent bills.

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### **Legal Bases for Collection of Delinquent Municipal Water Bills**

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1. Authority comes from:
    - a. Michigan Constitution
    - b. State Statute
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- c. Local Ordinance
  - d. Case Law
  - 2. Considerations when developing policy on repayment of delinquent water bills:
    - a. Legal/Financial Considerations.
      - i. The law related to the collection of utility charges is based upon the acknowledged need for a stable source of revenue to pay for providing the utility seen as a public necessity for health, safety and welfare.
      - ii. Whether paid for directly from retained revenue or through bonding, the need for a stable revenue source is the same.
      - iii. However, when bonding is used, there is still another layer of duties the City obligates itself to, that is the security of the bond purchasers. This security to bond purchasers, or the lack thereof, ultimately has an effect on the City's bond or credit rating and thus the City's ability to finance future large infrastructure projects and on insurance ratings.
      - iv. City has a duty to be fair to all customers of the water utility.
        - 1. Rates are established for various classes of users similarly situated.
        - 2. All customers within each class must pay for water used at the rate imposed for that class.
      - v. Customer fairness while still applying the law.

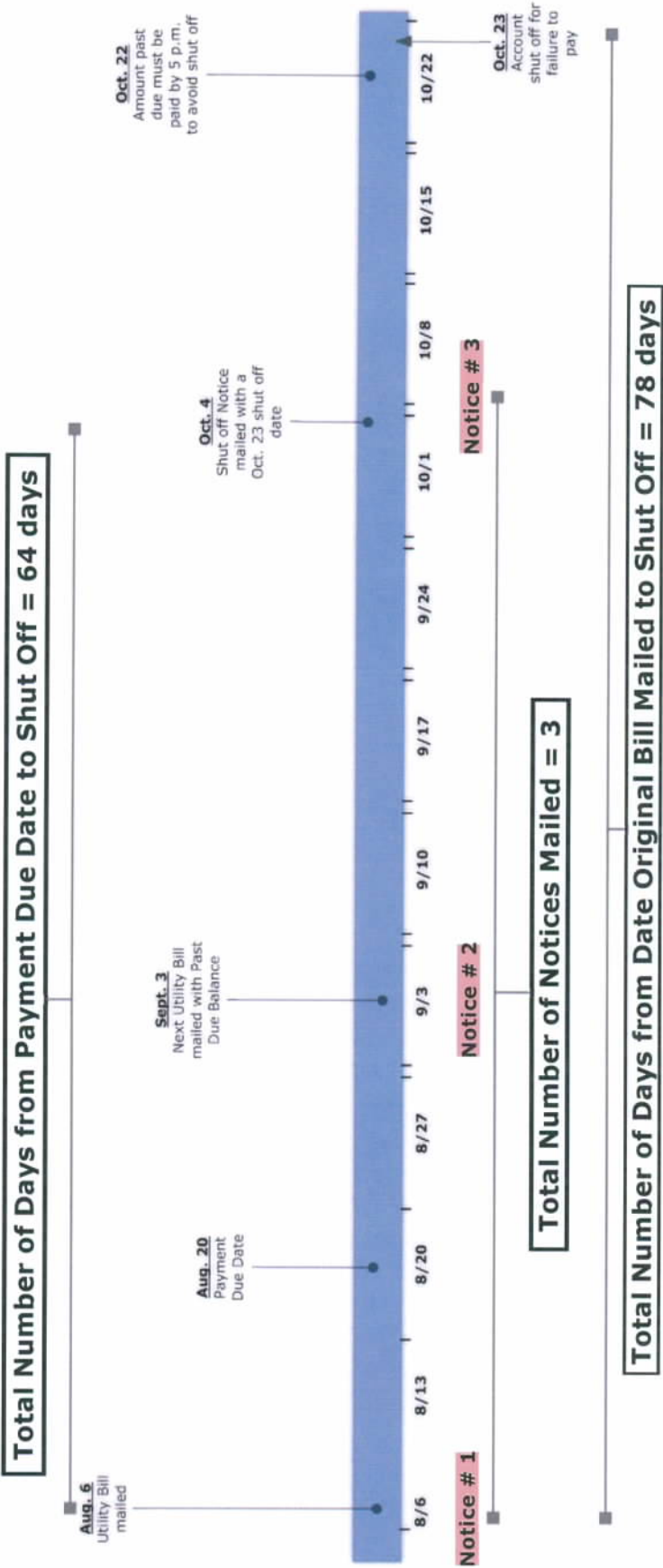
#### **"People" Considerations In Collection of Delinquent Municipal Water Bills**

1. Customers who believe they shouldn't/don't have a legal duty to pay the delinquent water bills. - The law says they do.
  2. Customers who request to be released from paying the delinquent bills (for the water they did use) because of current financial concerns.
  3. Customers who have had to pay all of their water bill (regardless of their financial concerns at any particular time).
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### **Delinquent Collection Timeline**

Exhibit 1 provides a timeline of a sample account being billed in August. In this example, the August bill (see sample after Exhibit 1), representing consumption from June 25 to July 23, was mailed on August 6<sup>th</sup> with a due date of August 20<sup>th</sup>. The customer made a payment on August 21 and a penalty was assessed on the delinquent balance. On September 3<sup>rd</sup> the September bill was mailed (see sample after Exhibit 1) with a balance at billing due. At the bottom of the bill is a statement "ANY "BALANCE AT BILLING" GREATER THAN ZERO IS DELINQUENT." This provides the delinquent customer with a second notice that payment is due. On October 4<sup>th</sup> an official shut off notice (see sample after Exhibit 1) is mailed to the same address as the customer's bill, stating that the account will be shut off on or after October 23<sup>rd</sup> if past due payment is not received and/or paid in the Treasurer's Office by 5 p.m. on October 22<sup>nd</sup>. As shown in this timeline, a customer has 78 days to pay from the time the original bill is mailed before their account is shut off, and they receive three notices of payment due, including the shut off notice that includes all the information required by City Ordinance

City of Battle Creek, Michigan  
Sample Utility Billing Timeline from  
Original Bill to Shut Off for Failure to Pay





Account No.	Due Date	Amount Due
	8/20/2012	320.01
Service Address		

BATTLE CREEK, MI 49017-3723



CITY OF BATTLE CREEK  
UTILITY BILLING DIVISION  
P.O. BOX 235  
BATTLE CREEK, MI 49016  
269-966-3366

IF YOU USED WATER-READ TYPE S/B ACTUAL & NOT 0 USE

Mailing Address
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PLEASE RETURN TOP PORTION WITH YOUR PAYMENT - MAKE CHECKS PAYABLE TO CITY OF BATTLE CREEK

Account No.	Service Address
-------------	-----------------

Bill Date	Meter Readings
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8/6/2012	Water & Sewer							
Previous Balance	Meter No.	Read Dates	Days	Previous	Current	Type	Usage	Unit Of Measure
212.14	78140259					Sewer Average	425	
Penalties	78140259	6/25/2012	7/23/2012	28	89,200	93,400	AMR Actual	4,200 CF

5.21

Adjustments  
0.00

Payments Received  
0.00

Balance at Billing  
217.35

Current Billing

Charge Code	Amount
Water Consumed	60.70
Water Readiness	7.73
Sewer Usage	9.33
Sewer Readiness	10.34
Garbage	14.56

Current Charges  
102.66

Balance Due  
320.01

Due Date  
8/20/2012



ANY "BALANCE AT BILLING" GREATER THAN ZERO IS DELINQUENT

MAIL PAYMENT TO: CITY TREASURER, P.O. BOX 235, BATTLE CREEK, MI 49016-0235  
CITY OF BATTLE CREEK, 10 N. DIVISION STREET, BATTLE CREEK, MI 49014

Account No.	Due Date	Amount Due
	9/17/2012	244.48

Service Address

BATTLE CREEK, MI 49017-3723



CITY OF BATTLE CREEK  
UTILITY BILLING DIVISION  
P.O. BOX 235  
BATTLE CREEK, MI 49016  
269-966-3366

IF YOU USED WATER-READ S/B ACTUAL & NOT 0 USE

Mailing Address



PLEASE RETURN TOP PORTION WITH YOUR PAYMENT - MAKE CHECKS PAYABLE TO CITY OF BATTLE CREEK

Account No.	Service Address
-------------	-----------------

Bill Date	Meter Readings
-----------	----------------

9/3/2012	Water & Sewer							
Previous Balance	Meter No.	Read Dates	Days	Previous	Current	Type	Usage	Unit Of Measure
320.01	78140259							
Penalties	78140259	7/23/2012 8/21/2012	29	93,400	94,700	Sewer Average AMR Actual	425 1,300	CF

6.56

Adjustments

0.00

Payments Received

(143.32)

Balance at Billing

183.25

Current Billing

Charge Code	Amount
Water Consumed	18.98
Water Readiness	7.81
Sewer Usage	9.44
Sewer Readiness	10.44
Garbage	14.56

Current Charges

61.23

Balance Due

244.48

Due Date

9/17/2012



ANY "BALANCE AT BILLING" GREATER THAN ZERO IS DELINQUENT

MAIL PAYMENT TO: CITY TREASURER, P.O. BOX 235, BATTLE CREEK, MI 49016-0235  
CITY OF BATTLE CREEK, 10 N. DIVISION STREET, BATTLE CREEK, MI 49014

# Shut Off Notice

Service Address

BATTLE CREEK, MI 49017-3723

Mailing Address



CITY OF BATTLE CREEK  
UTILITY BILLING DIVISION  
P.O. BOX 235  
BATTLE CREEK, MI 49016  
269-966-3366



Original Due Date	Account
8/20/2012	
Amount Past Due	Total Balance Due
111.58	179.37

PLEASE RETURN TOP PORTION WITH YOUR PAYMENT - MAKE CHECKS PAYABLE TO CITY OF BATTLE CREEK

**Shut Off On Or After - 10/23/2012**

~~~~~ THIS IS YOUR OFFICIAL NOTICE OF SHUT OFF ~~~~~  
The "AMOUNT PAST DUE" must be RECEIVED and/or PAID IN the TREASURER'S OFFICE BY 5 P.M. MONDAY, OCTOBER 22, 2012 to avoid shut off. SHUT OFF BEGINS TUESDAY, OCTOBER 23, 2012 as early as 6 a.m. DO NOT wait and put your payment in the drop box Monday, October 22. Drop box and mailed payments are NOT processed prior to shut off. If water is shut off, you MUST SCHEDULE an appointment and pay \$55 in advance for the turn on. Appointment times are limited!

If you dispute the charges, you have the right to a hearing before the Finance Director or his designee. Contact the Utility Billing Office on or before Thursday, October 18, 2012 by calling 269-966-3366 or in person at City Hall, 10 N Division Street, Battle Creek to schedule a meeting.



| Amount Past Due | Total Balance Due |
|-----------------|-------------------|
| 111.58          | 179.37            |

| Account Number | Original Due Date |
|----------------|-------------------|
|                | 8/20/2012         |

Service Address

BATTLE CREEK, MI 49017-3723

Shut Off Notice



The following table summarizes the account's transactions throughout the period to make it easier to track the account balances included on the two utility bills and the shut off notice.

| Date      | Transaction Description  | Payments   | Billing/<br>Penalty | Balance Due |            |
|-----------|--------------------------|------------|---------------------|-------------|------------|
| 8/5/2012  | Balance at Billing       |            |                     | \$ 217.35   |            |
| 8/6/2012  | Bill for June-July Usage |            | \$102.66            | \$ 320.01   | Notice # 1 |
| 8/21/2012 | Payment                  | \$(143.32) |                     | \$ 176.69   |            |
| 8/22/2012 | Penalty                  |            | \$6.56              | \$ 183.25   |            |
| 9/3/2012  | Bill for July-Aug. Usage |            | \$61.23             | \$ 244.48   | Notice # 2 |
| 9/20/2012 | Penalty                  |            | \$10.27             | \$ 254.75   |            |
| 9/25/2012 | Payment                  | \$(75.38)  |                     | \$ 179.37   |            |
| 10/4/2012 | Shut off Notice          |            |                     | \$ 179.37   | Notice # 3 |

### Delinquent Water Turn On Charge

According to the City ordinance, a turn on charge shall be assessed when an account is actually terminated for failure to pay to cover the cost of reinstating the service. The current charge of \$55 was approved by the City Commission as part of the *City's Fee, Bond, and Insurance Schedule* on January 17, 2012 (Resolution 67).

The following chart shows the number of delinquent accounts by cycle subject to shut off and the number actually shut off for the month of September 2012:

| Cycle        | No. Accounts subject to Shut off | No. Accounts actually Shut Off |
|--------------|----------------------------------|--------------------------------|
| 1            | 185                              | 114                            |
| 2            | 211                              | 130                            |
| 3            | 62                               | 36                             |
| 4            | 200                              | 136                            |
| <b>Total</b> | <b>658</b>                       | <b>416</b>                     |

Considerable staff resources are devoted to shutting off and reinstating services both in the Utility Billing Division in producing and managing the list of delinquent accounts, and the Meter Shop in actually performing the shut offs. This additional work places a drain on staff resources. The employees involved in this process are the same ones responsible for billing and general water meter repair/replacement. The ordinance clearly states the turn on charge should cover these additional costs, and the current charge does. An informal survey of delinquency charges was conducted on the Michigan Local Government Management Association's LISTSERV (MLGMA Survey), and the following responses were received:



| Municipality  | Penalty            | Days after Due Date<br>Penalty Imposed<br>on Unpaid Balance | Disconnect/Reconnect<br>Fee |
|---------------|--------------------|-------------------------------------------------------------|-----------------------------|
| Battle Creek  | 10%                | 30                                                          | \$55                        |
| Paw Paw       | 5%                 | 15                                                          | \$25/\$25                   |
| Almont        | 10%                | Immediate                                                   | \$50                        |
| Bronson       | 10%                | Immediate                                                   | \$30                        |
| Quincy        | \$5 +4% per<br>mo. | Immediate                                                   | \$40                        |
| Hartland Twp. | 10%                | 30                                                          | \$55                        |
| Cedar Springs | 10%                | Immediate                                                   | \$35/\$35                   |
| Birch Run     | 10%                | Immediate                                                   | \$35/\$35                   |
| Centerline    | 10%                | 30                                                          | \$75                        |
| Negaunee      | \$10               | Immediate                                                   | \$50                        |
| Coldwater     | 2%                 | Immediate                                                   | \$25                        |
| Grant         | 7.7%               | Immediate                                                   | \$100                       |
| Jonesville    | 10%                | Immediate                                                   | \$25                        |
| Average=      |                    |                                                             | \$53.46                     |

In addition, the City of Ferndale recently completed a more detailed survey of members of the Michigan Local Government Benchmark Consortium (MLGBC Survey) and a copy of their results can be found at the end of this report. The average disconnect/reconnect fee from the informal MLGMA survey was \$53.46. For the MLGBC survey, the average was \$55.08. Several communities charge both a “turn on” and “turn off” which are combined in calculating the average. Based on these results, Battle Creek appears to be in line with the delinquency fee charged by other municipalities across the state.

## Delinquent Utility Balances, Enforcement Methods, and Impact on Rates

When the City Commission was considering utility rate increases in 2010, attention was drawn to the large delinquent accounts receivable balance, which at that time totaled close to a million dollars. Since then the City has been more diligent in trying to collect delinquent amounts owed, resulting in a June 30, 2012 balance of about \$708,000. This reduction has been mostly accomplished through consistent enforcement of the shut off policy.

Even with the increased enforcement, many accounts can have large unpaid balances which become difficult to collect. The City also has the authority to place any delinquent amounts over 180 days as a lien upon the property served, but only when the property is owner-occupied. The Revenue Bond Act of 1933, Act 94 of 1933 creates this authority as follows:

141.121 Sec. 21 (3) Charges for services furnished to a premises may be a lien on the premises, and those charges delinquent for 6 months or more may be certified annually to the proper tax assessing officer or agency who shall enter the lien on the next tax roll against the premises to which the services shall have been rendered, and the charges shall be collected and the lien shall be enforced in the same manner as provided for the collection of taxes assessed upon the roll and the enforcement of the lien for the taxes. The time and manner of certification and other details in respect to the collection of the charges

and the enforcement of the lien shall be prescribed by the ordinance adopted by the governing body of the public corporation. However, in a case when a tenant is responsible for the payment of the charges and the governing body is so notified in writing, the notice to include a copy of the lease of the affected premises, if there is one, then the charges shall not become a lien against the premises after the date of the notice. In the event of filing of the notice, the public corporation shall render no further service to the premises until a cash deposit in a sum fixed in the ordinance authorizing the issuance of bonds under this act is made as security for the payment of the charges. In addition to any other lawful enforcement methods, the payment of charges for water service to any premises may be enforced by discontinuing the water service to the premises and the payment of charges for sewage disposal service or storm water disposal service to a premises may be enforced by discontinuing the water service, the sewage disposal service, or the storm water disposal service to the premises, or any combination of the services. The inclusion of these methods of enforcing the payment of charges in an ordinance adopted before February 26, 1974, is validated.

In Battle Creek, the Special Assessment Review Board has been granted this authority. Over the past three years approximately \$450,000 in delinquent utilities has been transferred to taxes, reinstating the lost revenue to the utility system. The County assumes the liens and pays the City during property tax settlement. The County collects the lien when the property is redeemed at tax sale. If the County is unable to collect the lien, they "charge back" the uncollected amount to the City, which amounted to \$26,837 in 2010.

When the account holder is a tenant and the landlord files a valid lease, the City cannot utilize the lien provisions. In these cases, the City requires a deposit equal to three times the readiness to serve charge for water and sewer and three times the thirty day rate for garbage to cover the outstanding balance when the account is closed. If the account balance exceeds the deposit, the remaining balance is turned over to a collection agency. When this occurs, the amount is "written off" resulting in a bad debt expense. As of October 9, 2012, there were 2958 accounts totaling over \$750,000 in bad debt being managed by the collection agency with accounts going back to 2008. For that same period, total collections from these accounts were \$18,700 of which \$4,700 was kept by the collection agency as a commission.

It is important to understand the negative impact these delinquencies have on the overall financial health of the City's water and sewer systems. Not only do they require considerable staff resources, but the lost revenue eventually needs to be recovered. The Revenue Bond Act requires the City to establish utility rates at a level sufficient to cover operating costs, debt service on outstanding bonds, capital repair/replacement and an appropriate amount of cash reserves. Revenue loss from delinquencies negatively impacts the bottom line and eventually erodes reserves. To recover these losses, future utility rates will need to be considered, in part, to rebuild cash reserves.



# **Rapid Response Survey of MLGBC Members**

## **Water Policy Survey**

**October 8, 2012**

**Report prepared by:**

**Joseph Gacioch, Project & Grant Coordinator**

**City of Ferndale**

**300 E. Nine Mile Rd.**

**Ferndale, MI 48220**

**248-546-2360**

**[jgacioch@ferndale-mi.com](mailto:jgacioch@ferndale-mi.com)**

| City                  | Population       | In house billing<br>Services | 3rd Party Billing | Number of<br>Households | Number of<br>Registered<br>Businesses | Avg. Annual Capital<br>Costs over last 5<br>years | Monthly/Quarterly | Online Bill<br>Management | Online Bill Pay |
|-----------------------|------------------|------------------------------|-------------------|-------------------------|---------------------------------------|---------------------------------------------------|-------------------|---------------------------|-----------------|
| Alma                  | 9383             | Yes                          | N/A               | 2670                    | 383                                   | \$ 449,644.00                                     | Monthly           | Yes                       | Yes             |
| Berkley               | 14970            | Yes                          | N/A               | 6500                    | 400                                   | \$ 400,000.00                                     | Quarterly         | No                        | No              |
| Birmingham            | 20103            | Yes                          | N/A               | 7913                    | 655                                   | \$ 2,568,537.00                                   | Quarterly         | No                        | Yes             |
| Charter Twp. Meridian | 39688            | Yes                          | N/A               | 12500                   | 770                                   | \$ 1,300,000.00                                   | Quarterly         | No                        | Yes             |
| Brighton              | 7444             | Yes                          | N/A               | 3640                    |                                       | \$ 1,820,801.00                                   | bimonthly         | No                        | Yes             |
| Ferndale              | 19900            | Yes                          | N/A               | 10982                   |                                       | \$ 3,309,235.40                                   | Quarterly         | No                        | No              |
| Grand Blanc           | 8276             | Yes                          | N/A               | 2600                    | 360                                   | \$ 40,000.00                                      | bimonthly         | Yes                       | Yes             |
| Huntington Woods      | 6328             | Yes                          | N/A               | 2410                    | 64                                    | \$ 325,000.00                                     | Quarterly         | No                        | Yes             |
| Madison Heights       | 29694            | Yes                          | N/A               | 9736                    | 1386                                  | \$ 969,600.00                                     | Quarterly         | Yes                       | No              |
| Manistee              | 6226             | Yes                          | N/A               | 3025                    | 350                                   |                                                   | Monthly           | Yes                       | Yes             |
| Meridian Township     |                  | Yes                          | N/A               | 10950                   | 760                                   | \$ 350,000.00                                     | Quarterly         | No                        | Yes             |
| Middleville           | 3319             | Yes                          | N/A               | 1500                    | 100                                   | \$ 81,016.00                                      | Quarterly         | Yes                       | Yes             |
| Midland               | 41863            | Yes                          | N/A               | 16800                   | 2000                                  | \$ 1,600,000.00                                   | Quarterly         | Yes                       | Yes             |
| Petoskey              | 5670             | No                           | Contractor        | 6000                    | 1000                                  | \$ 500,000.00                                     | Monthly           | Yes                       | Yes             |
| Rochester Hills       | 70995            | Yes                          | N/A               | 22000                   |                                       | \$ 3,200,000.00                                   | bimonthly         | No                        | Yes             |
| Roseville             | 47299            | Yes                          | N/A               | 17319                   | 1503                                  | \$ 500,000.00                                     | Quarterly         | No                        | Yes             |
| Saline                | 8810             | Yes                          | N/A               | 2885                    | 200                                   | \$ 440,000.00                                     | Quarterly         | Yes                       | Yes             |
| Southfield            | 71739            | Yes                          | N/A               | 18000                   | 2200                                  | \$ 9,000,000.00                                   | bimonthly         | Yes                       | Yes             |
| St. Joseph            | 8365             | Yes                          | N/A               | 13963                   | 1318                                  | \$ 400,000.00                                     | Quarterly         | No                        | No              |
| Warren                | 134056           | Yes                          | N/A               | 45925                   | 4967                                  | \$ 500,000.00                                     | Monthly           | Yes                       | Yes             |
| Waterford Township    | 71707            | Yes                          | N/A               | 25000                   | 1300                                  | \$ 1,000,000.00                                   | Quarterly         | No                        | Yes             |
|                       |                  | Yes:                         |                   | Median:                 | Median:                               | Median:                                           | BI-Monthly        | Yes                       | Yes             |
|                       | Median:<br>17435 | 20                           |                   | 9736                    | 765                                   | \$ 500,000.00                                     | 4                 | 10                        | 17              |
|                       | Mean:            | No:                          |                   | Mean:                   | Mean:                                 | Mean:                                             | Monthly           | No                        | No              |
|                       | 31292            | 1                            |                   | 11539                   | 1095                                  | \$ 1,437,691.67                                   | 4                 | 11                        | 4               |
|                       |                  |                              |                   |                         |                                       |                                                   | Quarterly         |                           |                 |



| City                  | Estimate Bills | Readiness to<br>Serve Charge | Delinquency<br>Penalty? | Delinquency<br>Penalty % | Qualifier                                             | Do you<br>Shutoff<br>Service | Shutoff Point<br>(days) | Discretion In<br>Shutoffs | Do you have a<br>Water Board | Shutoff Fees<br>(y/n) |
|-----------------------|----------------|------------------------------|-------------------------|--------------------------|-------------------------------------------------------|------------------------------|-------------------------|---------------------------|------------------------------|-----------------------|
| Alma                  | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 90                      | Yes                       | No                           | Yes                   |
| Berkley               | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | No                           | N/A                     | No                        | No                           | No                    |
| Birmingham            | No             | No                           | Yes                     | 10.0%                    | monthly until balanced                                | No                           | N/A                     | No                        | No                           | No                    |
| Charter Twp. Meridian | Yes            | No                           | Yes                     | 5.0%                     | after 3 days                                          | Yes                          | 60                      | Yes                       | No                           | Yes                   |
| Brighton              | Yes            | Yes                          | Yes                     | 10.0%                    | 1 time penalty if unpaid after<br>20 days             | No                           | N/A                     | No                        | No                           | Yes                   |
| Ferndale              | Yes            | Yes                          | Yes                     | 10.0%                    | 10% compounding. \$50<br>additional fee every 60 days | Yes                          | \$ 500.00               | Yes                       | No                           | Yes                   |
| Grand Blanc           | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 120                     | No                        | No                           | No                    |
| Huntington Woods      | Yes            | Yes                          | Yes                     | 5.0%                     | past due, not compounded                              | No                           | N/A                     | No                        | No                           | No                    |
| Madison Heights       | No             | Yes                          | Yes                     | 10.0%                    | past due                                              | No                           | N/A                     | Yes                       | No                           | Yes                   |
| Maristee              | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 45                      | No                        | No                           | No                    |
| Meridian Township     | Yes            | No                           | Yes                     | 5.0%                     | 3 days after due date                                 | Yes                          | 60                      | Yes                       | No                           | Yes                   |
| Middleville           | No             | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 15                      | No                        | No                           | Yes                   |
| Midland               | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 30                      | Yes                       | No                           | Yes                   |
| Petoskey              | Yes            | Yes                          | Yes                     | 5.0%                     | past due                                              | Yes                          | 60                      | Yes                       | No                           | No                    |
| Rochester Hills       | No             | Yes                          | Yes                     | 1.5%                     | past due                                              | Yes                          | unknown                 | Yes                       | No                           | Yes                   |
| Roseville             | Yes            | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 30                      | Yes                       | No                           | Yes                   |
| Saline                | Yes            | Yes                          | Yes                     | 10.0%                    | 10% on past due. .75% on<br>entire account balance    | Yes                          | 30                      | Yes                       | No                           | Yes                   |
| Southfield            | Yes            | No                           | Yes                     | 15.0%                    | past due                                              | No                           | N/A                     | No                        | No                           | Yes                   |
| St. Joseph            | No             | Yes                          | Yes                     | 10.0%                    | past due                                              | Yes                          | 45                      | Yes                       | No                           | Yes                   |
| Warren                | Yes            | Yes                          | Yes                     | 3.0%                     | 3% on balance, 17% onto<br>taxes at end of year       | Yes                          | 30                      | Yes                       | No                           | Yes                   |
| Waterford Township    | Yes            | Yes                          | Yes                     | 5.0%                     | 5% of unpaid bill after 30<br>days. 1 time            | No                           | N/A                     | Yes                       | No                           | Yes                   |
|                       | Yes            | Yes                          | Yes                     | Median                   |                                                       | Yes                          | Median (days)           | Yes                       | Yes                          | Yes                   |
|                       | 16             | 17                           | 21                      | 10.0%                    |                                                       | 14                           | 45                      | 13                        | 0                            | 15                    |
|                       | No             | No                           | No                      | Mean                     |                                                       | No                           | Mean (days)             | No                        | No                           | No                    |
|                       | 5              | 4                            | 0                       | 8.3%                     |                                                       | 7                            | 51                      | 8                         | 21                           | 6                     |
|                       |                |                              |                         | Mode                     |                                                       |                              | Mode (days)             |                           |                              |                       |

| City                  | Shutoff Fees (\$) | Reconnection Fees (y/n) | Reconnection Fees (\$) | Are shutoffs provided in house? |
|-----------------------|-------------------|-------------------------|------------------------|---------------------------------|
| Alma                  | \$ 15.00          | Yes                     |                        | Yes                             |
| Berkley               | \$ -              | No                      |                        | Yes                             |
| Birmingham            | \$ -              | No                      |                        | Yes                             |
| Charter Twp. Meridian | \$ 30.00          | No                      |                        | Yes                             |
| Brighton              | \$ 25.00          | Yes                     | \$ 25.00               | Yes                             |
| Ferndale              | \$ 50.00          | Yes                     | \$ 50.00               | Yes                             |
| Grand Blanc           | \$ -              | Yes                     | \$ 50.00               | Yes                             |
| Huntington Woods      | \$ -              | No                      |                        | Yes                             |
| Madison Heights       | \$ 50.00          | Yes                     | \$ 50.00               | Yes                             |
| Manistee              | \$ -              | Yes                     | \$ 75.00               | Yes                             |
| Meridian Township     | \$ 30.00          | No                      |                        | Yes                             |
| Middleville           | \$ 50.00          | Yes                     | \$ 50.00               | Yes                             |
| Midland               | \$ 12.50          | No                      |                        | Yes                             |
| Petoskey              | \$ -              | Yes                     | \$ 40.00               | Yes                             |
| Rochester Hills       | \$ 47.00          | Yes                     | \$ 47.00               | Yes                             |
| Roseville             | \$ -              | Yes                     | \$ 40.00               | Yes                             |
| Saline                | \$ 20.00          | Yes                     | \$ 20.00               | Yes                             |
| Southfield            | \$ 45.00          | No                      |                        | Yes                             |
| St. Joseph            | \$ 30.00          | No                      |                        | Yes                             |
| Warren                | \$ 40.00          | Yes                     | \$ 40.00               | Yes                             |
| Waterford Township    | \$ 30.00          | Yes                     | \$ 30.00               | Yes                             |
|                       |                   |                         |                        |                                 |
|                       | Median            | Yes                     | Median                 | Yes                             |
|                       | \$ 25.00          | 13                      | \$ 43.50               | 21                              |
|                       | Mean              | No                      | Mean                   | No                              |
|                       | \$ 22.60          | 8                       | \$ 43.08               | 0                               |
|                       | Mode              |                         | Mode                   |                                 |